

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (6/17)
BUTTER: Grade AA closed at \$1.4875. The weekly average for Grade AA is \$1.4958 (+.0566).

CHEESE: Barrels closed at \$1.4525 and blocks at \$1.5000. The weekly average for barrels is \$1.4390 (-.0165) and blocks, \$1.4890 (-.0090).

BUTTER: The butter market tone remains unsettled as the cash prices continues to fluctuate higher and lower during the week. Many butter traders and handlers attribute butter price gains this week to tighter cream supplies and increased Class II demand. Although churning activity continues to run heavy, additional offerings of cream to the churn have declined quite sharply. Milk production is now past the peak in many areas of the country. This trend, along with more seasonal temperatures and weather patterns, is increasing ice cream demand, thus ice cream producers are actively procuring cream for this need. Up to this point, churning activity has been surpassing demand, but as cream supplies tighten, which is typical for this time of the season, producers and handlers will be dipping into inventoried stocks for full needs. Butter demand is fair at best. Some retail "June is Dairy Month" promotional activity is stimulating butter sales. One Midwestern retail chain is promoting 2 pounds of butter for \$3.00, which is expected to clear a large volume of print butter.

CHEESE: The cheese market is unsettled. Natural American and barrel spot supplies remain limited as producers' output remains largely contracted. Many plant operators as well as some buyers are trying to build cushion stocks to meet expected needs later in the year. Mozzarella offerings continue to exceed demand with some extra volumes going into frozen storage. Process interest is fairly good seasonally. The May milk production estimate is up 4.4% from May a year ago for the 23 selected states and cow numbers are identical to May 2003 and up 54,000 head (0.7%) from last May. Current milk volumes are trending lower, though slow summer Class I use is still keeping cheese plants operating on extended schedules. Cheese yields are lower seasonally.

FLUID MILK: Recent hot and humid weather throughout the nation is impeding milk production. Northern sections of the country are being affected to a lesser extent than the Southern areas, especially as cooler temperatures resume in the North. Reduced milk volumes from the farm are being compensated by increased milk volumes available from school closures. Promotional efforts in the Midwest are not enhancing Class I sales, resulting in burdensome milk volumes that trade at a discount in the region. Class II interest in fluid milk is seasonally increasing. Heavier production of ice cream and bottled cream for strawberry season is noted. As a result, cream supplies are tightening and multiples are higher.

DRY PRODUCTS: Dry products prices are generally trending higher. Hot and humid weather reduced milk output in sections of the nation, resulting in lower milk intakes at NDM plants. NDM production is still seasonally heavy. Demand for NDM is reduced from export markets and cheese operations. Buttermilk prices are mixed with steady levels in the

Central, higher prices in the East and lower prices in the West. Recent export sales of buttermilk are alleviating some excess stocks accumulated during the heavy churn activity in May. Ice cream interest in buttermilk has resumed, encouraging movement of condensed buttermilk into ice cream facilities instead of dryers. Whey prices are unchanged to higher in response to continued strong export interest. WPC prices are likewise driven by export demands. However, increased end-user interest in high protein products is deterring some 34% WPC movement and allowing spot loads to surface here and there. Lactose prices are unchanged with a steady to firm undertone into the third quarter.

CCC: During the week of June 13 - 17, there was no price support activity.

FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS): Under the Federal milk order pricing system, the base price for Class I milk for July 2005 is \$13.89, up 27 cents from June but \$4.06 lower than last year. This price is derived from the advanced Class IV skim milk pricing factor of \$8.73 and the advanced butterfat pricing factor of \$1.5610 per pound. Class I differentials specific to each county are added to the base price to determine the Class I price. The Class II skim milk price for July is \$7.03 and the Class II nonfat solids price is \$0.8589 per pound. The following are the two-week product price averages: butter \$1.4158, nonfat dry milk \$0.9289, cheese \$1.4827, and dry whey \$0.2684.

JUNE MILK SUPPLY AND DEMAND ESTIMATES (WAOB): Milk production in 2005 and 2006 is respectively forecast 2.3% and 2.5% higher than the year prior. Forecasts are also higher than last month as recent good returns are expected to result in increased cow numbers. The recent *Milk Production* report indicated that cow numbers are above 2004 and producers are expected to expand herds through 2006. Larger supplies of milk are expected to pressure butter and cheese prices, but strong exports continue to support nonfat dry milk prices. The nonfat dry milk price forecasts for both 2005 and 2006 are raised, which helps support increased Class IV prices even in the face of lower butter price forecasts. The cheese price forecast is raised in 2005 because current cheese prices are higher than expected, resulting in a slightly higher Class III price. But the cheese price forecast for 2006 is reduced in the face of larger milk production, lowering the Class III price next year. The all milk price for 2005 is slightly higher at \$14.80-\$15.20, but the 2006 forecast is lowered to \$13.05-\$14.05.

MAY MILK PRODUCTION (NASS): Milk production in the 23 major states during May totaled 14.2 billion pounds, up 4.4% from May 2004. April revised production, at 13.6 billion pounds, was up 3.4% from April 2004. The April revision represented an increase of 0.3% or 35 million pounds from last month's preliminary production estimate. Production per cow in the 23 major states averaged 1,754 pounds for May, 62 pounds (+3.7%) above May 2004. The number of cows on farms in the 23 major states was 8.12 million head, 54,000 head (+0.7%) more than May 2004, and 9,000 head more than April 2005.

****SPECIALS THIS ISSUE****

JUNE MILK SUPPLY AND DEMAND ESTIMATES (PAGES 7-8)
 DAIRY GRAPHS (PAGES 9-10)

MAY MILK PRODUCTION (PAGE 11)

**CHICAGO MERCANTILE EXCHANGE
 CASH TRADING**

PRODUCT	MONDAY JUNE 13	TUESDAY JUNE 14	WEDNESDAY JUNE 15	THURSDAY JUNE 16	FRIDAY JUNE 17	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4175 (N.C.)	\$1.4350 (+.0175)	\$1.4350 (N.C.)	\$1.4550 (+.0200)	\$1.4525 (-.0025)	(+.0350)	\$1.4390 (-.0165)
40# BLOCKS	\$1.4675 (N.C.)	\$1.4875 (+.0200)	\$1.4900 (+.0025)	\$1.5000 (+.0100)	\$1.5000 (N.C.)	(+.0325)	\$1.4890 (-.0090)
BUTTER GRADE AA	\$1.4500 (+.0125)	----	\$1.5500 (+.1000)	----	\$1.4875 (-.0625)	(+.0500)	\$1.4958 (+.0566)

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM NOTE: CME NDM on Page 2.

CHICAGO MERCANTILE EXCHANGE

MONDAY, JUNE 13, 2005

CHEESE — SALES: 2 CARS BARRELS: 1 @ \$1.4150, 1 @ \$1.4175; 15 CARS 40# BLOCKS @ \$1.4675; BIDS UNFILLED: 4 CARS 40# BLOCKS @ \$1.4675; OFFERS UNCOVERED: NONE

BUTTER — SALES: 23 CARS: 1 @ \$1.4400, 1 @ \$1.4450, 1 @ \$1.4425, 2 @ \$1.4500, 3 @ \$1.4475, 1 @ \$1.4500, 6 @ \$1.4475, 2 @ \$1.4500, 1 @ \$1.4525, 5 @ \$1.4500; BIDS UNFILLED: 8 CARS: 2 @ \$1.4500, 2 @ \$1.4475, 3 @ \$1.4400, 1 @ \$1.4100; OFFERS UNCOVERED: NONE

TUESDAY, JUNE 14, 2005

CHEESE — SALES: 11 CARS 40# BLOCKS: 10 @ \$1.4725, 1 @ \$1.4825; BIDS UNFILLED: 4 CARS BARRELS: 2 @ \$1.4350, 2 @ \$1.4325; 34 CARS 40# BLOCKS: 6 @ \$1.4875, 4 @ \$1.4850, 2 @ \$1.4825, 4 @ \$1.4800, 2 @ \$1.4775, 4 @ \$1.4750, 4 @ \$1.4725, 4 @ \$1.4700, 4 @ \$1.4675; OFFERS UNCOVERED: NONE

WEDNESDAY, JUNE 15, 2005

CHEESE — SALES: NONE; BIDS UNFILLED: 21 CARS 40# BLOCKS: 10 @ \$1.4900, 6 @ \$1.4875, 5 @ \$1.4850; OFFERS UNCOVERED: NONE

BUTTER — SALES: 34 CARS: 1 @ \$1.4950, 3 @ \$1.5000, 1 @ \$1.5050, 1 @ \$1.5100, 4 @ \$1.5200, 1 @ \$1.5125, 5 @ \$1.5300, 2 @ \$1.5200, 1 @ \$1.5225, 1 @ \$1.5250, 1 @ \$1.5275, 2 @ \$1.5300, 3 @ \$1.5325, 1 @ \$1.5350, 1 @ \$1.5400, 4 @ \$1.5450, 2 @ \$1.5500; BIDS UNFILLED: 36 CARS: 2 @ \$1.5475, 2 @ \$1.5450, 2 @ \$1.5250, 1 @ \$1.5125, 3 @ \$1.5100, 1 @ \$1.5050, 2 @ \$1.5025, 1 @ \$1.4975, 2 @ \$1.4950, 2 @ \$1.4925, 2 @ \$1.4875, 8 @ \$1.4850, 3 @ \$1.4825, 2 @ \$1.4700, 1 @ \$1.4600, 2 @ \$1.4500; OFFERS UNCOVERED: NONE

THURSDAY, JUNE 16, 2005

CHEESE — SALES: 1 CAR BARRELS @ \$1.4525; 5 CARS 40# BLOCKS @ \$1.5000; BIDS UNFILLED: 4 CARS BARRELS: 1 @ \$1.4550, 1 @ \$1.4450, 2 @ \$1.4350; 7 CARS 40# BLOCKS: 4 @ \$1.4950, 3 @ \$1.4900; OFFERS UNCOVERED: NONE

FRIDAY, JUNE 17, 2005

CHEESE — SALES: 2 CARS BARRELS: 1 @ \$1.4500, 1 @ \$1.4525; 7 CARS 40# BLOCKS @ \$1.5000; BIDS UNFILLED: 1 CAR BARRELS @ \$1.4500; OFFERS UNCOVERED: NONE

BUTTER — SALES: 24 CARS: 1 @ \$1.5000, 1 @ \$1.4900, 1 @ \$1.4800, 1 @ \$1.4625, 2 @ \$1.4650, 1 @ \$1.4625, 1 @ \$1.4675, 1 @ \$1.4700, 2 @ \$1.4725, 3 @ \$1.4700, 2 @ \$1.4725, 1 @ \$1.4750, 1 @ \$1.4775, 1 @ \$1.4800, 1 @ \$1.4825, 1 @ \$1.4750, 1 @ \$1.4825, 1 @ \$1.4850, 1 @ \$1.4875; BIDS UNFILLED: 12 CARS: 1 @ \$1.4750, 4 @ \$1.4700, 1 @ \$1.4650, 3 @ \$1.4625, 1 @ \$1.4600, 2 @ \$1.4500; OFFERS UNCOVERED: 13 CARS: 2 @ \$1.5000, 2 @ \$1.5200, 3 @ \$1.5500, 3 @ \$1.5600, 3 @ \$1.5700

CME CASH NONFAT DRY MILK: Extra Grade closed the week at \$0.9625 and Grade A at \$0.9825. (The last price change occurred March 30.) The weekly average for Extra Grade is \$0.9625 (N.C.) and Grade A is \$0.9825 (N.C.).

BUTTER MARKETS

NORTHEAST

The CME cash price for butter continues to move higher and lower within a relatively narrow trading range. During Monday's (6/13) trading the price regained all of last week's loss (1.25 cents). Churning activity was slowing early last week, but cream suppliers reported that they had increased volumes of cream become available on Friday (6/10). The recent hot weather was expected to boost ice cream consumption and clear more cream through Class II channels. Little early-week information is available at the time of this report. Demand for butter remains lackluster, but recent trading at the CME has seen quite a few loads changing hands. Contacts are unsure if all this sales activity at the CME is due to demand or if they are driven by speculation or futures positions. Retail sales are slow to fair, at best. Sales of bulk butter f.o.b. East, are reported in a range from flat market to 3.0 cents over the CME price/average.

CENTRAL

The market tone remains unsettled. Last week's trading at the CME saw the butter price drop slightly, but through the first two sessions this week, the price increased 11.25 cents. This is the first time the cash price is above \$1.55 since in early April. Churning activity is often lighter as the recent hot weather has slowed milk production as well as the improved demand from Class II users. Most Midwestern butter makers still have quite a bit of cream to process, but the volumes from other areas of the country are down compared to the last month or so. Demand is fair, but some improvement is starting to show up. It is time for retailers to place orders for "sweet corn season" as well

as the ongoing June Dairy Month promotions. Food service orders are steady. Bulk butter for spot sale is being reported in the flat – 2 cents per pound over various pricing basis.

WEST

Butter prices were slightly weaker last week at the cash CME market, but they are much firmer this week. Butter prices closed at \$1.55 on June 15. They have not been this high since April 11. Activity on the exchange is heavy with 34 loads sold last week and 57 sold in two days of trading this week. Many bids have been left on the board. Some contacts are stating that more buyers are using the exchange as their first choice to acquire additional supplies of butter at this time. Retail butter sales are being reported as ranging from fair to slow. Minimal feature activity is moving some extra loads of butter. Food service orders from vacation areas are strong. Butter production is down from the peak noted a few weeks ago, but remains heavy seasonally. Some additional cream is now heading to ice cream production. Milk production is now past the peak in most Western states. It will not decline too rapidly until some more seasonal weather stress is noted. Weekly CME butter stocks grew by just short of one million pounds last week to stand at 104.6 million pounds. Stock levels are comparable to last year at this time. In the last five weeks, stocks have grown by 10.6 million pounds, 3.8 million pounds less than the same period last year. Over the last ten weeks, however, stocks this year grew by 37.0 million pounds compared to 17.3 million pounds for the same time period in 2004. Bulk butter prices range from flat to 3 cents under based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	38% MOISTURE BARRELS			
JUNE 11	1.4849	1.4513	0.9238	1.4223	0.2693
	9,969,695	10,181,805	21,272,209	3,025,991	11,979,676

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

The market tone is unsettled. Prices are fractionally higher. However, the cheese prices at the CME dipped late last week. Buyers, seeing these lower prices, appear to be waiting until next week to take advantage of the expected lower average price. These "peaks and valleys" in the CME cash cheese price are or have been adding to the start and stop type buying we have seen so far this year. Users and wholesalers are trying to "time the market" to make purchases which impact orders at the producing points. Cheese production in the Northeast is moderate, but recent hot weather is reportedly helping to reduce the milk supply. Demand for cheese is still slow to fair at retail with best interest on sliced process and natural items. Food service orders are picking up along seasonal patterns, particularly along the Eastern Shore.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.5775-2.0925
Cheddar Single Daisies	:	1.5350-2.0100
Cheddar 40# Block	:	1.6375-1.9075
Process 5# Loaf	:	1.6650-1.8750
Process 5# Sliced	:	1.6850-1.9025
Muenster	:	1.6500-1.8525
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

MIDWEST

The cheese market is fully steady as cash prices at the Chicago Mercantile Exchange start to rebound from the recent declines. As usual, buyers are trying to time purchases to make most of them at the low end of the price cycle. A year ago, the block price was still holding at \$1.80 per pound for about another week (for about a 1 month total) and barrels at \$1.77. Current natural American supplies remain tight with spot offerings generally limited to regular customers, though many are content with contracted volumes. Few producers feel the need to really push extra natural American sales to keep inventory from accumulating. Some plant operators are building some cushion inventory for the expected production declines by late summer/fall. Process movement remains fairly good with barrel interest and good processing solids seasonally solid. Mozzarella interest is spotty as some producers try to control production to keep inventories under control. Depending on location, more milk tankers are coming in carrying smaller loads. Fat and protein tests are low seasonally, reducing cheese yields.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.6575-1.9300
Brick And/Or Muenster 5#	:	1.9400-2.0475
Cheddar 40# Block	:	1.7900-2.2650
Monterey Jack 10#	:	1.9900-2.2650
Blue 5#	:	2.3425-2.6500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6750-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.3800-2.8900

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
06/13/05	54,550	:	146,685
06/01/05	52,834	:	147,005
CHANGE	1,716	:	-320
% CHANGE	3	:	N.C.

WEST

Cash block prices at the CME market were slightly firmer early last week, lost more than five cents towards the end of the week, and gained a bit more than two cents back this week. Activity at the exchange is moderate with most of the trading taking place on the bid side of the board. Buyers are very active in the commercial markets acquiring current cheese offerings on most styles and varieties. Most believe that prices in the \$1.40's are a "good deal" at this point in time. Production of cheese is beginning to decline seasonally at most operations, but it is still very near peak levels. It is likely to remain there until summer weather stress becomes more of a factor. Swiss sales activity is rated fair to good, while mozzarella is being called slow. More, fresh mozzarella has to go into the freezers for use later in the year.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.6075-1.8650
Cheddar 40# Block	:	1.6175-1.9700
Cheddar 10# Cuts	:	1.7975-2.0175
Monterey Jack 10#	:	1.8075-1.9675
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.7000

FOREIGN

Prices are unchanged to fractionally higher. The market tone is settling into a typical summer pattern. Consumers are often traveling or on vacation and not consuming as much imported or foreign-type cheese. The recent strength of the U.S. dollar against the Euro is having an impact on importers' purchasing decisions as the dollar now "buys a little more."

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-4.6900	1.8900-3.3800*
Gorgonzola	3.6900-6.0900*	2.4025-2.4900*
Parmesan (Italy)	TFEWR	3.3050-3.4125*
Romano (Italy)	2.1000-3.2500*	-0-
Provolone (Italy)	3.4400-6.0900	1.8925-2.1275*
Romano (Cows Milk)	-0-	3.0875-5.2525*
Sardo Romano (Argentina)	2.8500-3.2900	-0-
Reggianito (Argentina)	2.6900-3.2900	-0-
Swiss Cuts Switzerland	-0-	2.4500-2.6500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	TFEWR	-0-
Edam	:	:
2 Pound	TFEWR	-0-
4 Pound	2.1900-3.5600	-0-
Gouda, Large	TFEWR	-0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	27.8000-31.7000	-0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	127	0	225	0	191
SOUTHEAST STATES	0	84	0	80	0	0

Regional Milk Market Administrators announced the following, May 2005 uniform prices: Northeast \$15.35, Mideast \$14.40, Appalachian \$15.85, Southeast \$15.73, Florida \$17.28, and Western New York (a state order) \$14.86 at the base city or county in the orders. The recent heat wave plaguing the Eastern portion of the country has taken its toll on milk production. Milk output in the much of the East has taken a rather sharp down turn. Route trucks are coming in with less weight each day and some route consolidations are being made. Most Southeastern manufacturing plants are still operating daily and are often above 80% of capacity levels. This is down from operating at capacity the past two weeks. Bottled milk sales are fair to seasonally good in Florida where contacts report a sharp downturn in the number of loads sent out of state for processing. In the Northeast, milk output is falling, but at slower rate than the Southeast. The hot weather did impact the milk flow, but the heat wave has not lasted as long as it did in the Southeast. Cooler weather at mid-week may even help output rebound slightly. Most New England schools are now on recess, but some New York schools still have another week to go. The school lunch milk offsets the volumes lost to the heat wave and manufacturing plants are still operating at near capacity levels. Contacts continue to comment that this year's flush was as heavy as they've seen in many years and milk volumes have held at heavy levels for several weeks. The condensed skim market is little changed. Demand is fair to good and improving at more locations as ice cream output starts to take off. The fluid cream market is improving and multiples used for spot sales have moved higher. Cream offerings actually increased late last week, but as the effects of the heat wave were felt and demand improved, contacts report that availability tightened "like someone turned off a switch." Ice cream makers are on summer schedules and taking more milk. The hot weather gave a real boost to soft serve mix sales. Cream cheese production is up slightly as more producers seem to be looking for spot cream. Bottled cream and aerosol whipped cream production and sales are improving as strawberry season is getting into full swing. Churning remains moderate, but fewer loads of excess cream are clearing to the Midwest.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.7558-1.9285
DELIVERED EQUIVALENT ATLANTA	-	1.7702-1.9286 M 1.8134-1.8374
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.7702-1.9141

PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:		
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	.9400-1.0200
NORTHEAST- CLASS III - SPOT PRICES	-	1.1000-1.1700

M I D W E S T

Class I milk use remains at light summer levels despite various retail promotions. Manufacturing milk supplies remain seasonally burdensome with discounted spot prices still the norm rather than the exception. However, higher temperatures and humidity in many areas have caused load sizes to decline from recent levels. Finding trucks and/or unloading delays continue to hamper movement in some areas, particularly on the eastern end. Some operations still had major problems clearing all the weekend milk supplies and price discounts remained heavy. Reported spot milk prices ranged from -\$3.00 delivered to flat class delivered. At least one Wisconsin based operation has returned to trying to add new patrons after a moratorium because of plant capacity concerns handling peak spring milk intakes. The warmer temperatures stimulated cream and ice cream interest. Multiples continue to inch higher with overall cream net prices still down sharply from a year ago (\$2.6703 - \$2.7090). Some extra whipping cream is being prepared for berry season and dip and sour

cream production is higher for the upcoming holiday weekend. Class II condensed skim interest is strong though other classes remain slow. Temperatures reached 90 degrees in some parts of southern Wisconsin for the first time since August 2003. By midweek, temperatures moderated and humidity levels declined, leading some handlers to believe plant intakes might recover some of the declines from the annual peak. As usual after a hot spell, milk receipts may rebound, but much like dropping a ball, normally not all the way back. Wet conditions remain in parts of Minnesota and some other states within the region while other areas remain very dry.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JUNE 9 - 15	PREVIOUS YEAR
SLAUGHTER COWS	\$ 54.00- 61.00	\$ 54.00- 59.00
REPLACEMENT HEIFER CALVES	\$450.00-750.00	\$300.00-620.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JUNE 9 - 15	PREVIOUS YEAR
SLAUGHTER COWS	\$ 51.00- 62.00	\$ 53.00- 62.00

W E S T

Milk production across most of CALIFORNIA is trending fairly steady. The weather continues to be the biggest factor in milk holding up well seasonally. Conditions were moderate in the south and milk volumes were steady to occasionally higher. Volumes were steady to slightly lower in the Central Valley where conditions were warmer. The forecast is for moderate temperature for the weekend. Production is moving slightly higher in the more northern milk producing areas of the state. Bottled milk sales in the state are flat with some increases noted in areas where features are being offered. Haying continues to move forward across the state with rains affecting harvesting in the north, good tonnage being put up in the Central Valley, and quality hay limited in the South. ARIZONA milk output is steady to moving slightly lower. Temperatures are topping 100 degrees during the daytime which is about normal for this time of year. Lower nighttime temperatures and low humidity are providing relief for cows. Milk is being handled well within the state and loads from nearby states are being handled. Cream supplies are tighter as fat tests decline. Bottled milk interest has moved lower over the last few weeks. Feature activity this week is moving more jugs. The Western CREAM market is firmer with supplies in tighter position than in recent weeks. The market has adjusted as milk supplies move seasonally lower and many locations are seeing lower fat tests than expected. There is a good demand from the butter side with prints moving well. Ice cream demand is building slowly but is more evident. The CME butter price jumped ten cents on June 15 to close at \$1.55 and stood 11.25 cents higher than a week ago. Both multiples and overages for cream are higher. These are being affected by the increase in the base butter price. A day or two of decent weather is quickly going to be replaced with cool and wet conditions again in the PACIFIC NORTHWEST. Much of the early grass silage has lost most of the feed value. Pastures and grass are not supplying good quality forage because growers cannot manage the growth properly. Cows have often had to be brought back off pastures as conditions are too wet for grazing. On the east side, hay making is not going well either. Very little is being put up that is top dairy quality. It is either getting too old or too wet. Prices are firm, but not a lot higher because there is not much good quality to test the top of the market. Most contacts feel that milk production is past the peak, but it does continue to hold at high levels. The wet and cool conditions that have been common over much of UTAH and IDAHO this spring seem to be letting up this week. There should be enough of a window to finish up the first cutting of hay. A wet spell may move in the middle of next week again. Much of the hay is certainly past prime quality and will not command a top price. Dairies are searching for good, milk producing hay and are willing to pay for it without much success. Most plants feel that milk supplies are off a bit from the peak and do not expect supplies to rebound much this late in the production cycle. Heifer prices seem to be a bit softer at a weekly sale in the region. Speculation as to the reason centers on the fact that milk prices have moved a bit lower so that milk producers are not as aggressive in bidding for replacements.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are unchanged to higher on a steady to firm market. Despite recent hot and humid weather in the region, excess milk supplies are available for most plants to run full schedules. Most movement is occurring on a contractual basis or into some brokerage firms. Some plants continue to stock excess supplies for internal or contractual use later in the year when hot temperatures take a toll on milk output. If milk supplies remain ample, spot loads would not be expected to be available until mid to late July. Supplies of NDM from the West are adequate with some traders speculating as to whether stocks will build as occurred during the year prior. Approximately 20 loads of aged NDM from previous government animal feed programs are being traded into the feed sector as a competitive substitute to 34% WPC.

EAST: Prices are steady to higher as the NASS weekly price for NDM has bounced higher and lower in the past few weeks. The weekly NASS price for NDM is the basis for a large percentage of NDM sales. The market tone remains relatively firm. Production levels have eased now that the hot weather has taken its toll on milk production. Dryers, though still operating daily, have less milk to process and not pushing their plant's capacity like they were a week or two ago. Some producers took this opportunity to replenish high heat NDM stocks. This is particularly evident in the Southeast where temperatures have been high for nearly two weeks. Northeastern milk supplies remains quite heavy and production levels are still quite high. Producer stocks are heavy, but generally committed to regular accounts. Demand for NDM is fair to good.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .9475 - 1.0100 MOSTLY: .9800 - .9900
 HIGHHEAT: .9825 - 1.0950

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices moved higher following adjustments in pricing indexes. The general market tone is steady. However, there are some uncertainties in the market. The use of NDM and condensed skim in some cheese production is lower and there is some price resistance noted domestically. Export volumes are currently lower than earlier in the year, but orders are being taken for future exports. NDM for export is often at the top end of the range. Drying schedules are still active with plants running at heavy, seasonal levels. High heat prices are lower on the top end of the range. Buying interest is slower this week and producers are attempting to be competitive. Drying levels are fair with some adjustments being made to have high heat available for at least contract sales. Stocks are generally light. From January to April, exports of NDM totaled 120,125 MT (264.8 million pounds), compared to 47,976 MT (105.8 million pounds) a year ago. During April 2005, 48.3 million pounds of NDM were exported.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .9075 - .9800 MOSTLY: .9375 - .9425
 HIGHHEAT: .9500 - .9750

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
June 10	\$.9027	10,198,311	0
June 3	\$.9099	7,038,673	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices remain unchanged and nominal on a steady to weak market. Although stocks appear to be building at some locations, plants are not aggressively marketing dry buttermilk. With some supplies encroaching 6 months of age, some marketing efforts are anticipated in the next few weeks. Production is steady to lower as less cream is moving into churns. Some plants are also rewetting some of their dry buttermilk supplies to satisfy demand from ice cream users of condensed buttermilk. With seasonal interest in ice cream increasing, more condensed buttermilk is expected to move into ice cream operations, reducing dry buttermilk production.

F.O.B. CENTRAL: .9600 - 1.0100

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices rebounded this week, but the market tone is holding at steady to slightly improved levels. Last week's lower prices moved some product and producers are now a little more comfortable with their supply situation. The Northeast prices remain nominal. Production levels are lighter this week as churning activity has slowed. Class II cream demand improved significantly during the recent heat wave, which left less excess cream to clear to churns. Plant stocks are in fairly good balance. Demand for dry buttermilk is fair.

F.O.B. NORTHEAST: .9300 - .9500
 DELVDSOUTHEAST: .9500 - 1.0000

DRY BUTTERMILK - WEST

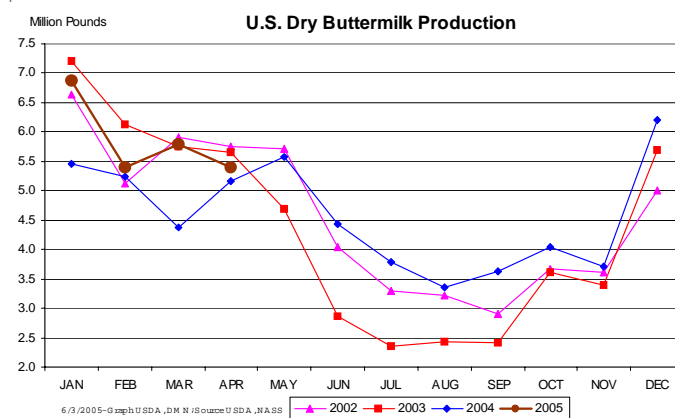
Prices for dry buttermilk in the Western region are steady to lower and reflect several producers dropping prices to secure both domestic and export sales. Demand is fair for current offerings and the lower prices were needed to balance stocks for some producers. The option of holding powder for later in the year needs is viable, but customers' age restrictions on these future sales would preclude storing this powder for their needs. Drying remains seasonally heavy, reflecting active churning schedules. Stocks range from light to moderate.

F.O.B. WEST: .8950 - .9600 MOSTLY: .8950 - .9050

DRY WHOLE MILK - NATIONAL

Prices and the market tone are unchanged. Prices remain nominal. Production levels remain light, but if needed, dryer time is available to make dry whole milk. This is due to milk supplies easing from peak levels. Plant stocks are balanced and demand is steady.

F.O.B. PRODUCING PLANT: 1.2400 - 1.3800



WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are unchanged. The market tone is steady to firm. Some West coast buyers are seeking additional whey supplies from Central region producers without avail. Resale prices are reported between 28 – 29.5 cents for delivery in June and July. Production is heavy as most cheese plants are running full. Excess condensed whey supplies are readily available at some locations with custom dryers most able to pick up the additional loads. Movement is best in the resale market or on contracts. Feed users generally report that they are long on whey. Feed users may resell some of their excess stocks late this summer when better information with respect to production and stocks after the summer heat can be noted. The higher cost of whey is being reflected in milk replacer products and encouraging grower interest in raising beef cattle instead of veal. Milk replacer quality whey is limited for the good interest.

F.O.B. CENTRAL: .2575 - .2700 MOSTLY: .2575 - .2675
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2425 - .2475

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are up fractionally as most Eastern producers react to the changes seen in last week's Central market. Northeast prices remain nominal. The market tone unchanged, but showing a few signs of improvement. Contacts report getting more inquiries, which could be due to user inventory depletion, the tight WPC supply, tighter NDM stocks, expected higher prices, and anticipated lower milk/cheese/dry whey production during the coming months. Production levels are mostly steady in the East and plant stocks remain tight. A few spot loads have been reported, but these typically wind up moving to regular customers, not new accounts. Most spot sales continue to be reported in the resale side of the market.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2650 - .2825
DELVD SOUTHEAST: .2850 - .3025

DRY WHEY - WEST

Whey prices continue to firm fractionally for Western powder. Offerings are clearing in a normal manner. Some additional price resistance is noted on export sales, but sales do continue. A whey tender for the Far East was filled last week and contacts speculate that most of the powder will be sourced from the U.S. According to FAS, whey exports for the first four months of the year are up 44% from the same period in 2004 and have reached 152.2 million pounds. Total dry whey production for the same period is 348.0 million pounds. The top five country destinations and the pounds exported are as follows: China, 50.8 million pounds; Japan, 19.7 million pounds; Canada, 15.6 million pounds; Korea, 12.0 million pounds; and Thailand, 11.0 million pounds. Whey production is declining seasonally as milk supplies are declining.

NONHYGROSCOPIC: .2850 - .3100 MOSTLY: .2900 - .3025

EVAPORATED MILK - NATIONAL

Prices are steady and the market tone is unchanged. The recent news of one producer withdrawing from the retail market has made the market even more competitive. The other producers are scrambling to take over the affected accounts. Production levels are easing now that surplus milk supplies are declining from peak levels. Milk supplies are or will be a factor in the remaining producers' abilities to make enough canned evaporated milk to service all accounts. Currently, there is ample milk, but will that still be the case later in the year? Demand for canned evaporated milk is seasonally slow.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.50 - 30.00

Excluding promotional and other sales allowances. Included new price announcements.

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are higher on a steady to firm market. Spot loads of 34% WPC are becoming more available as buyers opt to instead purchase competitively priced 80% WPC. Loads available in totes are more difficult to clear than bagged product. Approximately 20 loads of aged NDM from previous government animal feed programs are being traded into the feed sector as a competitive substitute to 34% WPC. Export interest in 34% WPC remains strong. Condensed WPC is readily available at some locations with supplies most notably clearing into custom feed dryers. Supplies of off grade 34% WPC are limited for the good feed interest. During the period of January-April 2005, WPC 34% exports increased 13.06% whereas WPC 80% exports decreased 32.19% compared to the same period in 2004. Mexico (9,603,930 lbs), China (2,994,354 lbs), Canada (2,685,354 lbs) Japan (1,735,650 lbs), and Brazil (1,068,279 lbs) remain the dominant markets for WPC 34%. The dominant markets for WPC 80% were Canada (1,690,468 lbs), Mexico (1,033,015 lbs), Japan (554,967 lbs), and China (537,776 lbs). Despite emerging trends for WPC 80%, export markets prefer WPC 34% with a total of 21,448,887 lbs of WPC 34% exported compared to 4,754,689 lbs of WPC 80% for the January-April 2005 period.

F.O.B. EXTRA GRADE 34% PROTEIN: .8800 - .9200 MOSTLY: .8800 - .9000

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged on a steady to firm market. Most plants have started third quarter negotiations. Inquiries are noted from domestic and foreign traders. Increased movement of Extra Grade lactose is occurring into feed operations as a substitute to dry permeate which is currently short in supply. Production is steady yet heavier than the year prior. During the period of January-April 2005, lactose exports increased 31.6% compared to the same period in 2004. Japan (18,934,344 lbs), China (12,295,896 lbs), Mexico (6,736,746 lbs) and Vietnam (3,361,761 lbs) remain the dominant markets. New markets for the period include Colombia, El Salvador, Peru, Belgium-Luxembourg. Exports accounted for 24.3% of production during January-April 2005.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .1750 - .2100 MOSTLY: .1800 - .1950

CASEIN - NATIONAL

Casein markets and prices remain firm. Stocks from Oceania remain in very close balance and are often short of full customer needs. Many European producers and suppliers are indicating that strong production is generating additional supplies. The additional stock is providing them with resources to better acknowledge their commitments. European producers are not sure how much longer this enhanced production will continue, especially now that peak milk production is past and the allocation of available milk supplies might change once July 1 arrives. At the EU Dairy Management Committee meeting on June 16, the manufacturing aid for the production of casein was reduced by 0.23 Euro to 0.52 Euro per 100 kg. Due to firm prices and a supply that has often been lighter than needed, some domestic buyers are reviewing their casein requirements and evaluating the casein component within their product formulation. Some are finding that they can substitute another protein for casein and generate a favorable end result, while others are not as successful.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 3.2700 - 3.4500
ACID: 3.2700 - 3.4000

EVAPORATED MILK - NATIONAL - See adjacent column

JUNE MILK SUPPLY AND DEMAND ESTIMATES*

Milk production in 2005 and 2006 is forecast higher than last month as recent good returns are expected to result in increased cow numbers. The recent *Milk Production* report indicated that cow numbers are above 2004 and producers are expected to expand herds through 2006.

Larger supplies of milk are expected to pressure butter and cheese prices, but strong exports continue to support nonfat dry milk prices. The nonfat dry milk price forecasts for both 2005 and 2006 are raised, which helps support increased Class IV prices even in the face of lower butter price forecasts. The cheese price forecast is raised in 2005 because current cheese prices are higher than expected, resulting in a slightly higher Class III price. But the cheese price forecast for 2006 is reduced in the face of larger milk production, lowering the Class III price next year.

The all milk price for 2005 is slightly higher at \$14.80-\$15.20 per cwt., but the 2006 forecast is lowered to \$13.05-\$14.05 per cwt.

U.S. MILK SUPPLY AND USE					
Commodity	2004	2005 Projected		2006 Projected	
		May	June	May	June
MILK		BILLION POUNDS			
PRODUCTION	170.8	173.8	174.3	177.9	178.7
FARM USE	1.1	1.1	1.1	1.1	1.1
FAT BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	8.3	7.2	7.2	7.5	7.6
MARKETINGS	169.7	172.7	173.2	176.8	177.6
IMPORTS	5.3	5.1	5.1	4.9	4.9
TOTAL COMMERCIAL SUPPLY	183.3	184.9	185.4	189.2	190.1
FAT BASIS USE					
ENDING COMMERCIAL STOCKS	7.2	7.5	7.6	7.4	7.5
CCC NET REMOVALS <u>1/</u>	-0.1	0.0	0.0	0.3	0.1
COMMERCIAL USE <u>2/</u>	176.2	177.4	177.9	181.6	182.5
SKIM-SOLIDS BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	8.5	8.2	8.2	8.1	8.2
MARKETINGS	169.7	172.7	173.2	176.8	177.6
IMPORTS	4.8	5.0	5.0	4.8	4.8
TOTAL COMMERCIAL SUPPLY	183.0	185.9	186.3	189.7	190.6
SKIM-SOLIDS BASIS USE					
ENDING COMMERCIAL STOCKS	8.2	8.1	8.2	8.2	8.2
CCC NET REMOVALS <u>1/</u>	1.3	-0.3	-0.3	1.5	0.9
COMMERCIAL USE <u>2/</u>	173.5	178.1	178.4	180.0	181.4
		MILLION POUNDS			
CCC PRODUCT NET REMOVALS <u>1/</u>					
BUTTER	-7	0	0	8	0
CHEESE	6	0	0	7	7
NONFAT DRY MILK	105	-25	-25	125	75
DRY WHOLE MILK	0	0	0	0	0

NOTE: Totals may not add due to rounding. 1/ Includes products exported under the Dairy Export Incentive Program. 2/ Includes commercial exports.

Continued on page 8

JUNE MILK SUPPLY AND DEMAND ESTIMATES-cont'd

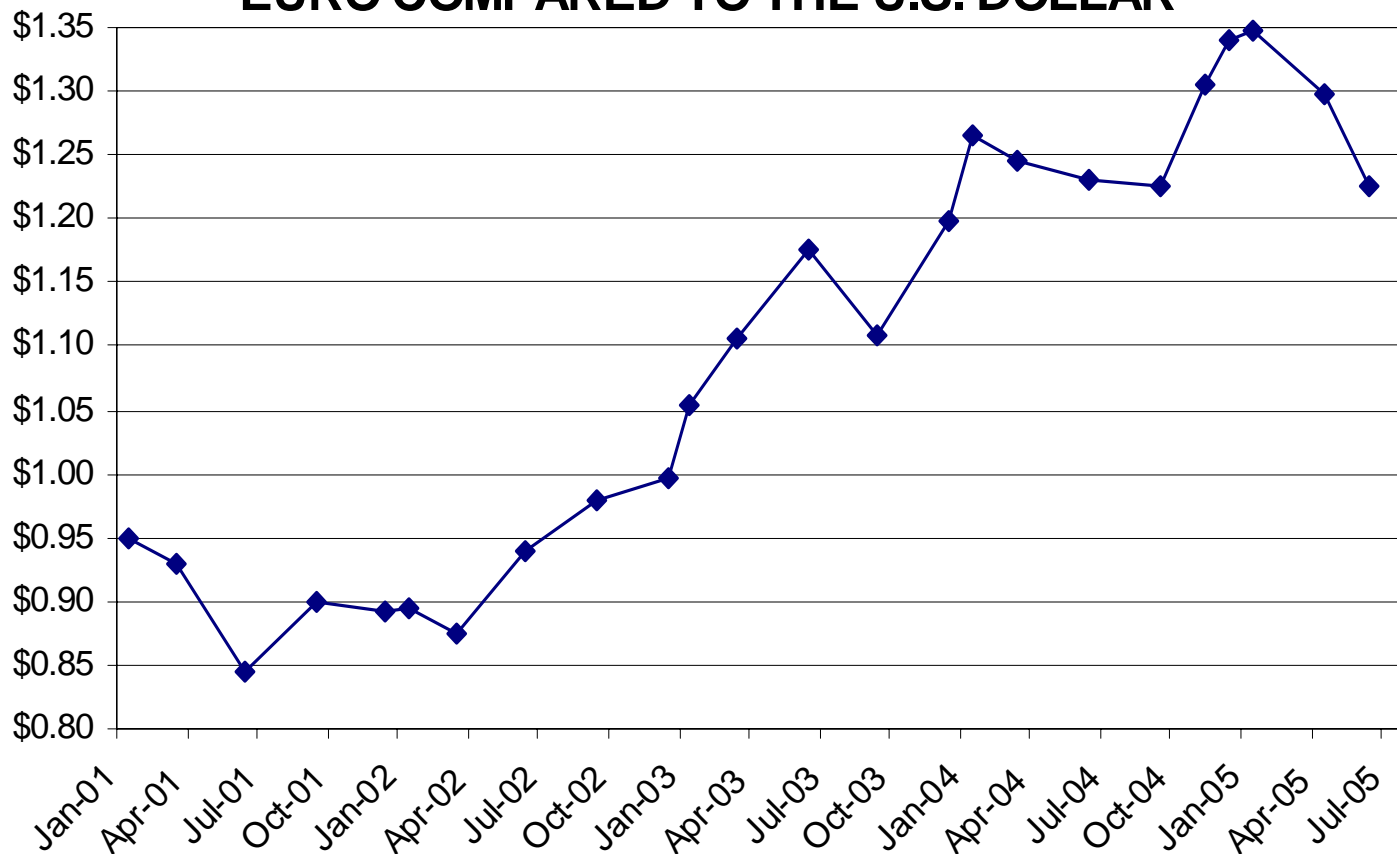
U.S. DAIRY PRICES						
Commodity	2004	2005 Projected		2006 Projected		
		May	June	May	June	
PRODUCT PRICES <u>1/</u> CHEESE	DOLLARS PER POUND					
	1.6431	1.460-1.510	1.470-1.510	1.330-1.430	1.310-1.410	
	BUTTER	1.8239	1.455-1.535	1.450-1.520	1.350-1.480	1.305-1.435
	NONFAT DRY MILK	0.8405	0.880-0.920	0.900-0.940	0.820-0.890	0.860-0.930
	DRY WHEY	0.2319	0.225-0.255	0.235-0.255	0.175-0.205	0.175-0.205
MILK PRICES <u>2/</u> CLASS III	DOLLARS PER CWT					
	15.39	13.55-14.05	13.60-14.00	11.95-12.95	11.70-12.70	
	CLASS IV	13.20	12.05-12.65	12.20-12.70	11.05-12.15	11.20-12.30
	ALL MILK <u>3/</u>	16.05	14.70-15.20	14.80-15.20	13.15-14.15	13.05-14.05
	QUARTERLY					
	2005 I	2005 II <u>4/</u>	2005 III <u>4/</u>	2005 IV <u>4/</u>	2006 I <u>4/</u>	
MILK PRODUCTION	BILLION POUNDS					
	43.2	44.9	43.0	43.2	44.5	
	DOLLARS PER CWT.					
	ALL MILK PRICE <u>2/</u> <u>3/</u>	15.67	14.75-14.95	14.05-14.55	14.70-15.50	13.75-14.75
	CLASS III PRICE <u>2/</u>	14.31	13.95-14.15	13.10-13.60	13.20-14.00	12.10-13.10
CLASS IV PRICE <u>2/</u>	12.64	12.25-12.55	12.05-12.65	11.90-12.80	11.45-12.55	

1/ Simple average of monthly prices calculated by AMS from NASS weekly average dairy product prices for class price computations. Details may be found at http://www.ams.usda.gov/dyfmoms/mib/fedordprc_dscrp.htm. 2/ Annual Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants from milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. 3/ Does not reflect any deductions from producers as authorized by legislation. 4/ Projection.

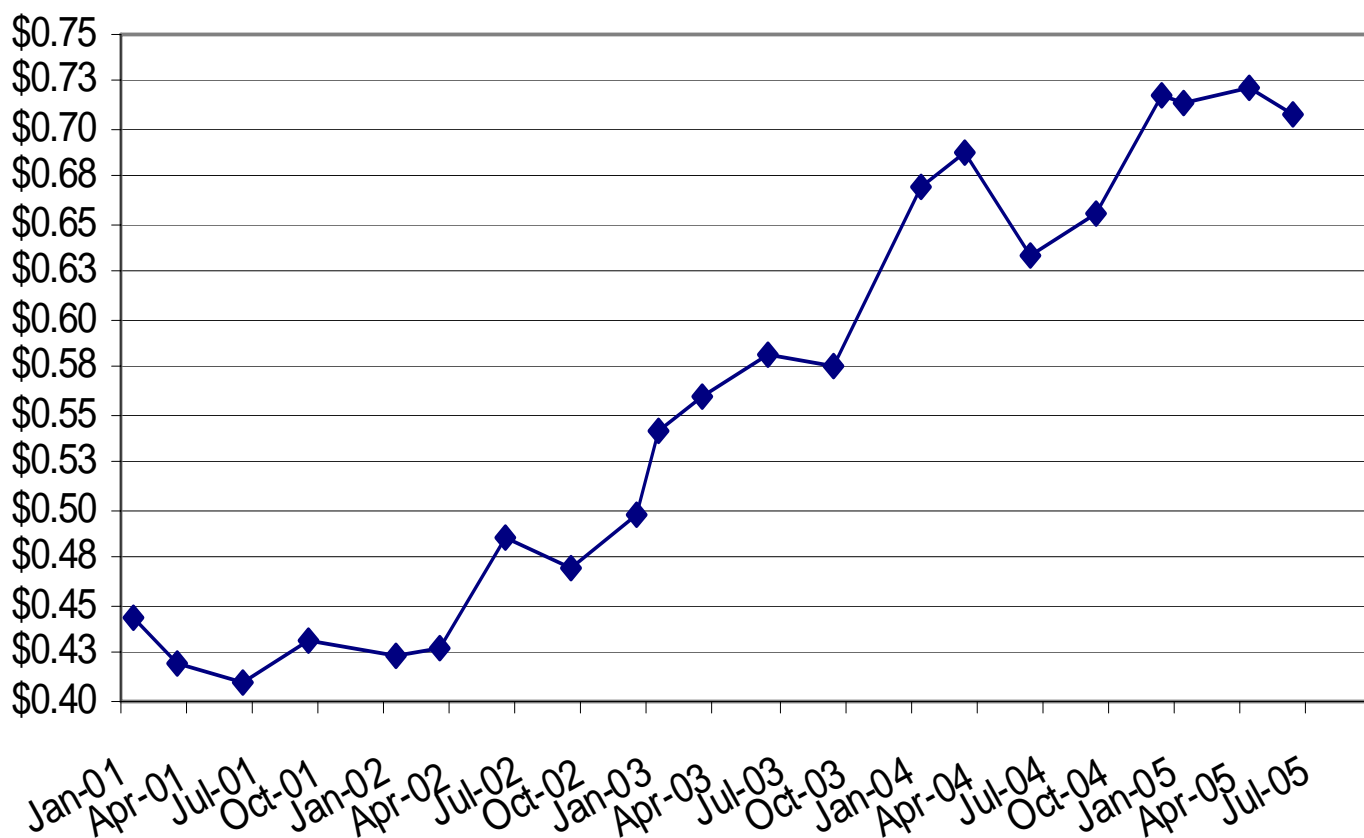
* The World Agricultural Supply and Demand Estimates were approved by the Interagency Commodity Estimates Committee. The members for Dairy are: Shayle Shagam, Chairperson, WAOB; John Mengel, AMS; Paul Kiendl, FAS; James Miller, ERS; and Milton Madison, FSA.

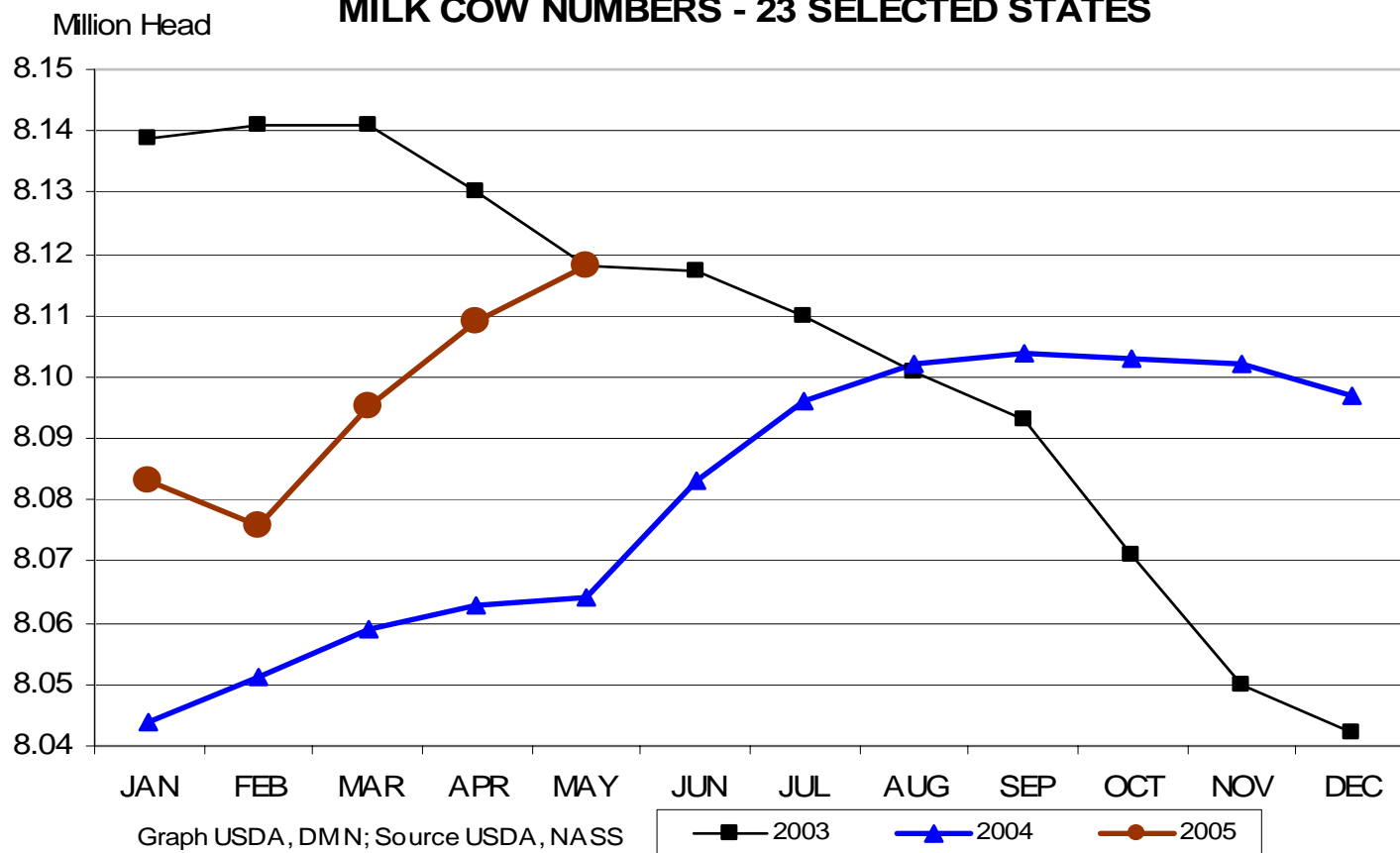
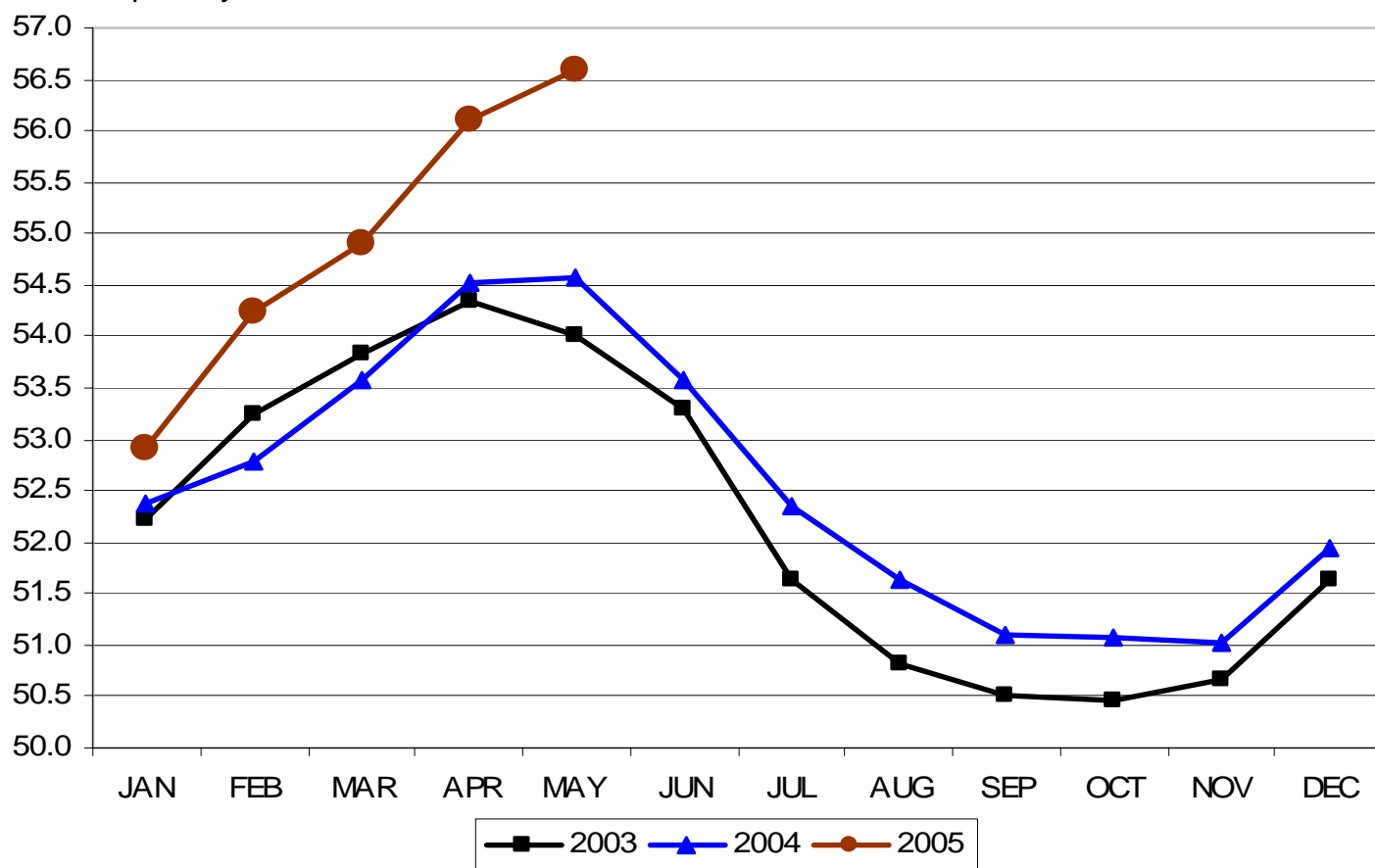
SOURCE: "World Agricultural Supply and Demand Estimates," WASDE-423, World Agricultural Outlook Board, USDA, June 10, 2005.

EURO COMPARED TO THE U.S. DOLLAR



NEW ZEALAND DOLLAR COMPARED TO THE US DOLLAR



MILK COW NUMBERS - 23 SELECTED STATES**23 STATES DAILY AVERAGE MILK OUTPUT PER COW**

MAY MILK PRODUCTION

Milk production in the 23 major States during May totaled 14.2 billion pounds, up 4.4 percent from May 2004. April revised production, at 13.6 billion pounds, was up 3.4 percent from April 2004. The April revision represented an increase of 0.3 percent or 35 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,754 pounds for May, 62 pounds above May 2004.

The number of cows on farms in the 23 major States was 8.12 million head, 54,000 head more than May 2004, and 9,000 head more than April 2005.

MAY 2005 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	2004	2005	2004	2005	2004	2005	% CHANGE FROM 2004
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	155	163	2,095	2,090	325	341	4.9
CA	1,720	1,754	1,830	1,875	3,148	3,289	4.5
CO	102	104	1,830	1,950	187	203	8.6
FL	139	138	1,525	1,580	212	218	2.8
ID	417	445	1,850	1,920	771	854	10.8
IL	108	104	1,620	1,660	175	173	-1.1
IN	149	155	1,800	1,800	268	279	4.1
IA	195	186	1,760	1,820	343	339	-1.2
KS	114	112	1,710	1,815	195	203	4.1
KY	110	107	1,190	1,195	131	128	-2.3
MI	301	310	1,795	1,900	540	589	9.1
MN	460	455	1,555	1,610	715	733	2.5
MO	124	119	1,380	1,390	171	165	-3.5
NM	327	323	1,810	1,880	592	607	2.5
NY	655	646	1,580	1,665	1,035	1,076	4.0
OH	263	270	1,540	1,570	405	424	4.7
OR	120	121	1,665	1,680	200	203	1.5
PA	557	565	1,605	1,675	894	946	5.8
TX	317	320	1,720	1,830	545	586	7.5
VT	145	144	1,545	1,650	224	238	6.3
VA	105	105	1,455	1,550	153	163	6.5
WA	239	239	1,985	2,060	474	492	3.8
WI	1,242	1,233	1,560	1,615	1,938	1,991	2.7
23 STATE TOTAL	8,064	8,118	1,692	1,754	13,641	14,240	4.4

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

SOURCE: "Milk Production," Da 1-1 (6-05), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF JUNE 13 - 17, 2005			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/04	SAME PERIOD LAST YEAR	WEEK ENDING 06/10/05	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	-0-	-0-	-0-	31,817,269	301,162,811	-0-	677,646,000
Fortified	-0-	-0-	-0-	-0-	-119,048	-0-	46,391,000
Instant	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	31,817,269	301,043,763	-0-	724,037,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF JUNE 13 - 17, 2005 =	0.0	0.0	COMPARABLE PERIOD IN 2004 =	1.3	68.3
CUMULATIVE SINCE OCTOBER 1, 2004 =	7.0	370.4	CUMULATIVE SAME PERIOD LAST YEAR =	65.3	3,504.1
CUMULATIVE JANUARY 1 - JUNE 17, 2005 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2004 =	39.8	2,154.9

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF JUNE 13 - 17, 2005 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/04 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04
CENTRAL	-0-	-0-	-0-	-0-	1,331,567	7,646,276	4.2	2.6
WEST	-0-	-42,309	-0-	-0-	29,415,099	289,113,713	92.4	96.0
EAST	-0-	-0-	-0-	-0-	1,070,603	4,283,774	3.4	1.4
TOTAL	-0-	-42,309	-0-	-0-	31,817,269	301,043,763	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 05/28/05 & Comparable Week 2004

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1
2005-Dairy	N.A.	0.5	N.A.	1.7	12.6	1.9	0.6	N.A.	11.3	2.2	38.0	972.9
2004-Dairy	0.1	0.7	N.A.	2.0	18.1	1.9	0.7	N.A.	10.5	2.0	43.4	1,013.6
2005-All cows	0.1	0.6	N.A.	10.2	24.8	14.9	11.6	N.A.	13.0	4.7	90.1	2,020.3
2004-All cows	0.2	0.8	N.A.	10.8	29.9	17.4	14.5	N.A.	13.1	5.5	103.3	2,150.3

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, the Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	16.14

FEDERAL MILK ORDER CLASS PRICES FOR 2005 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.65	13.79	15.43	14.13	14.80	13.62	13.89					
II	13.04	13.36	13.25	13.24	12.78							
III	14.14	14.70	14.08	14.61	13.77							
IV	12.52	12.74	12.66	12.61	12.20							

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfmoms/mib/cls_prod_cmp_pr.htm